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## Canada

### Agricultural Situation

#### This Week in Canadian Agriculture, Issue 15 2004

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**Report Highlights:**

\* FEDERAL GOVERNMENT WILL NOT APPEAL WTO RULING REGARDING IMPORTED GRAIN HANDLING OR GRAIN FREIGHT REVENUE CAP \* LOWER FEES FOR ONTARIO WHEAT GROWERS \* WHEAT BOARD CUTS, ADDS JOBS \* MONSANTO SHELVES BIOTECH WHEAT \* SYNGENTA CONTINUES BIOTECH WHEAT EFFORTS \* PRAIRIE SNOW BRINGS NEEDED MOISTURE \* AVIAN INFLUENZA UPDATE \* HOG INDUSTRY RECEIVES DOC QUESTIONNAIRES

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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Ottawa [CA1]  
[CA]

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

*Disclaimer:* Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**THE FEDERAL GOVERNMENT WILL NOT APPEAL** the recent World Trade Organization ruling regarding the handling of imported grain and the western grain freight revenue cap. The WTO dispute panel determined that regulations (The Canada Grain Act) governing foreign grain imports are discriminatory and that the grain freight revenue cap is illegal because it applies only to domestic grain. Ottawa is considering how to bring these policies into compliance. The US is appealing the panel's finding that the Canadian Wheat Board operates legally.

**WHEAT BOARD REDUCES LICENCE FEES:** The Ontario Wheat Producers' Marketing Board has set the 2004 crop year producer licence fee at \$1.50 per metric ton. This fee applies to all wheat produced in Ontario, except for wheat for the producer's own use or farmer-to-farmer sales. This fee is a \$0.50/mt decrease from 2003. The board will continue to offer producers value by offering marketing opportunities, representing wheat producers in government lobby efforts, advocacy efforts with other associations and an extensive research program.

**WHEAT BOARD CUTS, ADDS JOBS:** The Canadian Wheat Board is looking to fill new jobs, even though it's letting 60 employees go this year. In January, the Wheat Board targeted 135 positions, announcing it would reduce almost a quarter of its workforce after a corporate review said the Board should become more efficient. Last week, the Board started placing job ads and for the first time, being an expert on agriculture is no longer the prerequisite for employment. Deanna Allen, the vice president of Corporation Communications, says the Wheat Board can't fill these jobs from within. Allen says some of the jobs being advertised are information technology positions. She says the Wheat Board wants to do e-business with farmers and move away from the paper approach. Allen says the Board plans to advertise more jobs in the weeks ahead. She says management will meet with employees this week to update them on recruiting for new positions.

**THE ALBERTA LEGISLATURE** didn't pass an amendment to the Alberta Wheat & Barley Test Market Act during the legislative session that ended today. The private members bill, which would allow the government to unilaterally establish a dual test market, is expected to pass early in the fall session.

**MONSANTO SHELVES BIOTECH WHEAT:** Monsanto is shelving its efforts for the time being to develop bitoech Roundup Ready wheat. Breeding and field trials will be halted but it was unclear whether applications for regulatory approval would be withdrawn. The company said that with the decline of spring wheat area in the US and Canada in recent years the market potential has become unattractive, compounded by a lack of acceptance by the industry and export markets. The company will focus on developing improved traits for corn, oilseeds and cotton where acceptance of biotech varieties is high and rising.

**SYNGENTA CONTINUES EFFORTS ON BIOTECH WHEAT:** Syngenta says it will not follow Monsanto in suspending its bitoech wheat program, which is in the field trial stage in Europe. That's still several years away from commercialization. Meanwhile Monsanto has not withdrawn registration applications in Canada or the US.

**PRAIRIE SNOW BRINGS NEEDED MOISTURE:** A wide band of snow varying from 6–12 inches fell from eastern Alberta through southern Manitoba earlier this week bringing needed moisture especially in parts of southern Saskatchewan. Scientific study shows that on the prairies, snowmelt accounts for about 80% of the stream flow and water stored in sloughs; in west-central Saskatchewan snowfall accounts for 18-48% of the total annual precipitation.

**AVIAN INFLUENZA UPDATE:** The Canadian Food Inspection Agency's (CFIA) influenza depopulation program in British Columbia is proceeding on schedule. Depopulation of all premises within 1 km of an infected premises has been completed and the depopulation of premises within 3 km of an infected premises is nearing completion. To date, the confirmed number of infected commercial premises in the Control Area remains at 40. Earlier this week, press stories were speculating that a Fraser Valley goose farm could have the strain of the disease harmful to humans. However, the CFIA announced that after repeated testing, the geese were not infected with either H5 or H7 avian influenza, and there is strong evidence indicating the geese were exposed to the H6 avian influenza virus, which is not associated with serious animal or human illness.

**HOG INDUSTRY RECEIVES DOC QUESTIONNAIRES:** Individual hog producers and government departments named in the petition have reportedly received their US Department of Commerce questionnaires related to the U.S. countervailing duty case against Canadian live hogs. If Commerce determines that a mandatory respondent has received countervailable benefits during the period of investigation, it will calculate a subsidy rate for that respondent. Commerce will then average the individual mandatory respondent rates, weighted by production, resulting in a rate (called the "all others" rate) that will be assigned to all other Canadian producers. The subsidy rates will determine the amount of estimated countervailing duty that would have to be deposited with US Customs by Canadian exporters. The Canadian Pork Council and the provincial pork boards of Manitoba and Ontario, the source of 90% of the 7.4 million Canadian live hogs exported to the United States during 2003, are providing informational support to producer respondents.

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